

AMENDED IN ASSEMBLY JANUARY 18, 2008

AMENDED IN ASSEMBLY JANUARY 7, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1129

Introduced by Assembly Member Arambula

February 23, 2007

An act to add Chapter 13.5 (commencing with Section 50845) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1129, as amended, Arambula. San Joaquin Valley Regional Affordable Housing Trust.

The Planning and ~~Zoning Law~~ *Zoning Law* requires each city, county, or city and county to prepare and adopt a general plan for its jurisdiction that contains mandatory elements, including a housing element. The housing element is prepared for the purposes of, among other things, fostering cooperation among local governments in order to address regional housing needs.

This bill would establish the San Joaquin Valley Regional Affordable Housing Trust as a voluntary organization for the purposes of fostering the regional collaboration of San Joaquin Valley cities, counties, developers, financial institutions, and community-based organizations to meet affordable housing needs in the region.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The cumulative population of the San Joaquin Valley,
4 including the Counties of San Joaquin, Stanislaus, Merced, Madera,
5 Fresno, Kings, Tulare, and Kern, currently totals 3.3 million people,
6 which is doubled every 30 years, and which is expected to grow
7 to 5 million people by the year 2025. This growth places extreme
8 pressure on the region and its communities to provide increased
9 levels of housing for the shelter of residents and workers.

10 (b) The median household income of the valley is twelve
11 thousand dollars (\$12,000) below the statewide median. Six of the
12 eight counties in the valley rank among the 13 lowest wage rate
13 areas in the state. Fifty percent of valley residents cannot afford a
14 median-priced two bedroom rental apartment, and rental rates have
15 recently increased by 24 percent. The population density of the
16 valley, which is 5.5 persons per acre, is significantly lower than
17 the statewide average.

18 (c) The relatively large size of the valley region, and vast
19 expanses of undeveloped agricultural land that spatially separate
20 one valley community from another, have resulted in planning
21 decisions to accommodate growth on a community-by-community
22 basis.

23 (d) Changing social and economic circumstances spurred by
24 changes in mobility, labor costs, land and housing prices, and
25 environmental factors in the valley region, coupled with new
26 housing bond money made available under the Housing and
27 Emergency Shelter Trust Fund Act of 2006, and the formation of
28 the California Partnership for the San Joaquin Valley, ~~has~~ have
29 created a unique opportunity to establish a San Joaquin Valley
30 Regional Affordable Housing Trust Fund to assist valley
31 communities in the provision of affordable housing for residents
32 and workers. The trust fund can provide the valley region with the
33 ways and means to cooperatively meet the housing goals set forth
34 in community general plans throughout the valley and described
35 in the San Joaquin Valley Regional Blueprints.

36 (e) It is therefore the intent of the Legislature to establish the
37 San Joaquin Valley Regional Affordable Housing Trust to assist

1 communities in securing and distributing affordable housing
2 development funding.

3 SEC. 2. Chapter 13.5 (commencing with Section 50845) is
4 added to Part 2 of Division 31 of the Health and Safety Code, to
5 read:

6
7 CHAPTER 13.5. SAN JOAQUIN VALLEY REGIONAL AFFORDABLE
8 HOUSING TRUST
9

10 50845. (a) The San Joaquin Valley Regional Affordable
11 Housing Trust is hereby established for the following purposes:

12 (1) Receiving and administering federal, state, local, and private
13 financial resources made available to the trust for the development
14 of affordable housing projects in communities that are members
15 of the trust.

16 (2) Fostering the regional collaboration of cities, counties,
17 developers, and financial and community-based organizations in
18 its geographical area to meet affordable housing needs, as set forth
19 in the general plans of the members, and consistent with San
20 Joaquin Valley Regional Blueprints.

21 (b) For the purposes of this chapter, the “trust” is the San
22 Joaquin Valley Regional Affordable Housing Trust established
23 under subdivision (a).

24 50845.2. The trust shall do all of the following:

25 (a) Establish a governing board, which may include, but is not
26 limited to, one member from each participating council of
27 governments in the San Joaquin Valley, three representatives from
28 the California Partnership for the San Joaquin Valley, one
29 representative from an affordable housing advocate organization
30 from the San Joaquin Valley, one representative from a nonprofit
31 affordable housing developer in the San Joaquin Valley, and one
32 housing industry representative from the San Joaquin Valley.
33 Membership in the trust is voluntary.

34 (b) Develop a regionwide strategy for selecting and funding
35 affordable housing projects that is consistent with and helps
36 implement the goals and vision of the San Joaquin Valley Regional
37 Blueprints.

38 (c) Apply for federal grants and state loans and grants, and
39 solicit and receive contributions from trust members and private
40 organizations, including, but not limited to, other trusts,

1 foundations, and financial institutions that are dedicated to funding
2 the operation of the trust and funding affordable housing grants
3 and loans made by the trust to affordable housing projects in the
4 region.

5 (d) Create one or more revolving loan accounts for funding
6 affordable housing projects located in the jurisdictions of trust
7 members.

8 (e) Make loans to nonprofit housing corporations, and other
9 public and private entities proposing to build affordable housing
10 projects in the region served by the trust. Loan funds shall be
11 disbursed only after the governing body of the jurisdiction within
12 which the project will be built has certified that the project is
13 consistent with the housing element of the community's general
14 plan and the applicable San Joaquin Valley Regional Blueprint.
15 Certification shall also include assurances that each project will
16 have obtained all environmental ~~clearances~~ *approvals* and
17 development permits, and that there is a local *public* financial
18 commitment to the project.

19 (f) Develop criteria for selecting projects for funding. Criteria
20 shall address the following issues:

21 (1) ~~Housing~~ *Increased housing* densities.

22 (2) Mixed income development.

23 (3) Infill development.

24 (4) Fair share allocation.

25 (5) Transit-oriented development.

26 (6) Proximity to centers of employment.

27 (g) Establish requirements for local financial project
28 commitments or matching contributions by local jurisdictions and
29 other project sponsors.

30 (h) Establish loan repayment terms.

31 (i) Develop benchmarks and performance standards to monitor
32 the progress of each project for which the trust provides funding.
33 The standards and benchmarks shall be developed in consideration
34 of benchmarks and standards that are used by other affordable
35 housing funding entities.

36 (j) Provide technical assistance to members on affordable
37 housing projects.

38 (k) Assist in assembling partnerships for affordable housing
39 demonstration projects of larger, master planned, mixed-use
40 elements, with high-density design.

1 (l) Prepare reports and supporting documentation that may be
2 required as a condition of receiving federal and state funding.

3 (m) Develop and implement a regional education campaign that
4 promotes the benefits of higher density, mixed use, public
5 transit-oriented communities that are responsive to local and state
6 environmental policies.

7 (n) Make recommendations to the Governor and the Legislature
8 for regulatory reform that can eliminate obstacles to providing
9 affordable housing.

10 (o) Commencing on January 1, 2011, make a biennial report to
11 the Secretary of Business, Transportation and Housing and the
12 Director of Housing and Community Development on its activities
13 during the preceding two fiscal years, and the impacts those
14 activities have had in providing affordable housing in the region,
15 in fostering a regional approach to meeting affordable housing
16 needs, and in implementing the housing goals of the San Joaquin
17 Valley Regional Blueprints.

18 50845.4. The governing board shall adopt a set of bylaws that
19 shall address, but are not limited to, all of the following issues:

20 (a) Organizational structure of the trust.

21 (b) The dues structure.

22 (c) The voting structure.

23 (d) Member contribution requirements.

24 (e) Annual election of officers.

25 (f) A mission statement that sets forth a purpose to foster the
26 regional collaboration of San Joaquin Valley cities, counties,
27 developers, financial institutions, and community-based
28 organizations to meet affordable housing needs in the region.

29 ~~50845.6. The trust may use funds that it receives, other than~~
30 ~~federal and state housing grants, to pay for its operations.~~

31 *50845.6. Administrative costs shall not exceed five percent of*
32 *trust assets.*

33 50845.8. The trust shall utilize the staff services of member
34 jurisdictions to carry out its functions to the maximum feasible
35 extent. However, the trust may hire staff and consultants for
36 specialized purposes, such as conducting studies and grant writing.

37 50846. The governing board may form advisory committees,
38 as deemed necessary.

39 50846.2. The governing board shall be the approving authority
40 for grant applications submitted for approval by the trust, and shall

- 1 set the terms for receiving grants and loans made to the trust. The
- 2 board shall also approve the conditions under which the trust may
- 3 make loans to affordable housing project applicants.

O